

**STATE OF CONNECTICUT  
REGULATION  
OF  
DEPARTMENT OF CONSUMER PROTECTION  
CONCERNING MOTOR VEHICLE ADVERTISING**

Section 42-110b-28 of the Regulations of Connecticut State Agencies is amended to read as follows:

**(a) Definitions**

For the purposes of this regulation the following terms have the meanings indicated:

(1) "Motor vehicle" [is defined as] means "Motor vehicle," as defined in [Section] section 14-1 of the [general statutes] Connecticut General Statutes;

(2) "New car dealer" and "used car dealer" [are as defined] means "New car dealer" and "Used car dealer" as defined in [Section] section 14-51 of the [general statutes] Connecticut General Statutes, and shall also mean any person, firm or corporation which engages in the business of leasing or renting of motor vehicles and is required to be licensed under the provisions of section 14-15 of the [general statutes] Connecticut General Statutes;

(3) [Advertisement] "Advertisement" (including the terms advertise and advertising) means any oral, written or graphic statement made by a new car dealer or used car dealer in any manner in connection with the solicitation of business and includes, but is not limited to, statements and representations made in a newspaper or other publication or on radio or television or contained in any notice, handbill, sign, billboard, poster, bill, circular, brochure, pamphlet, catalogue or letter;

(4) A motor vehicle is not considered new within the meaning of these regulations if it is a used motor vehicle as defined in [Section] section of the [general statutes] Connecticut General Statutes, or if it has been driven substantially in excess of the limited use necessary for moving or road testing purposes, or if it is altered, deteriorated, repossessed or damaged; [and]

(5) "Clearly and Conspicuously" means that the statement, representation or term being disclosed is of such size, placement, sound, color or contrast as to be readily noticeable to the person to whom it is being disclosed. A printed statement, representation or term is not clear and conspicuous unless it is printed in at least ten point type[.]; and

(6) "Flood damaged vehicle" means a motor vehicle that satisfies either of the following:

(A) the vehicle has been acquired by an insurance company as part of a damage settlement due to water damage; or

(B) the vehicle has been submerged in water to the point that rising water has reached over the door sill and has entered the passenger or trunk compartment, or has exposed any electrical, computerized or mechanical component to water.

**(b) Advertising of motor vehicles**

Scope: The following advertising regulations shall apply to any advertisement published, delivered, broadcast or circulated within the State of Connecticut:

(1) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to fail to sell or lease, or refuse to sell or lease, a motor vehicle in accordance with any terms or conditions which the dealer has advertised, including, but not limited to, the advertised price.

(2) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise any motor vehicle for sale or lease which is not new unless the advertisement clearly and conspicuously discloses, in an area immediately adjacent to the reference to the advertised motor vehicle:

(A) that the vehicle is used;

(B) the stock number of the vehicle; and

(C) a designation of the vehicle as a demonstrator, taxicab, police car, rental vehicle or leased fleet vehicle, if such leased fleet vehicle is from a business or governmental fleet of six vehicles or more, if the dealer knows or, in the exercise of reasonable care, should know that the vehicle was previously so used.

(3) Notwithstanding [Section] section 42-110b-28(b)(2)(C) of the Regulations of Connecticut State Agencies, it is an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise any motor vehicle as a "demonstrator" unless the vehicle:

(A) [Is] is of current or previous model year;

(B) [Was] was used exclusively by the dealership; and

(C) [Was] was used for demonstrator purposes only.

(4) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to use in its advertisements the word "executive," "company official," or any other similar terms to identify any motor vehicle unless the identified vehicle has been used exclusively by executives or other personnel of the vehicle's manufacturer or by an executive of any authorized dealership selling the same make of vehicle.

(5) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to use in its advertisements, except as specifically permitted in this subdivision, any of the following terms in connection with the price of motor vehicles:

(A) the terms "factory authorized sale," "factory discount outlet" and similar terms, or terms indicating that the dealer has been granted special pricing or distribution privileges by a motor vehicle manufacturer, unless authorized to do so by the motor vehicle manufacturer;

(B) the terms "at cost," "below invoice," "at invoice," "wholesale" and similar terms or any other representation that a motor vehicle will be sold at, below or above a cost or price standard unless:

(i) the cost or price standard represents the actual consideration paid by the dealer; and

(ii) no hold back, rebate, promotional fee or any other consideration will be paid by the manufacturer to the dealer subsequent to the purchase of the motor vehicle which in any way will reduce or offset the cost to the dealer of purchasing the motor vehicle;

(C) the terms "liquidation sale," "liquidation," "public sale," "public notice," "public disposal," "final notice," and similar terms when in fact the sale is not required by court order, operation of law or the impending closure of the dealer's business.

(6) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise the price for the sale of any motor vehicle unless the stated price in such advertisement includes the federal tax, the cost of delivery, dealer preparation and any other charges of any nature, except any state or local tax or registration fees, or any dealer conveyance fee or processing fee as defined by section 14-62 of the Connecticut General Statutes.

(7) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise in any manner the price which will be paid by such dealer for trade-in vehicles unless the price of the vehicle sold by such dealer to the owner of the trade-in vehicle is within the range of prices at which the dealer usually sells such vehicles and is not increased because of the amount paid for the trade-in vehicle.

(8) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise in any manner that a specific price will be paid by such dealer for trade-in vehicles unless either the advertised price will be paid for all trade-in vehicles, regardless of their condition or age, or the advertisement clearly and conspicuously discloses any conditions which trade-in vehicles must meet before such price will be paid.

(9) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise in any manner that a range of prices (such as "up to \$500" or "as much as \$500") will be paid by such dealer for trade-in vehicles unless the advertisement clearly and conspicuously discloses the criteria (such as age, condition

or mileage) which the dealer will use to determine the amount to be paid for a particular trade-in vehicle.

(10) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise a sale or promotion in connection with the sale or lease of motor vehicles without clearly and conspicuously disclosing in such advertisement the expiration date and any other conditions of such sale or promotion, including whether the supply of vehicles is limited.

(11) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise motor vehicles using such statements as "As low as," "From," or like terms in connection with a price unless motor vehicles are readily available for sale or lease in sufficient quantity to meet reasonably anticipated demands for each of the years, models and makes so advertised. It shall be considered that the taking of orders for the advertised vehicles to be delivered within a reasonable time at the advertised price shall be in compliance with this regulation.

(12) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise that motor vehicles are in stock or otherwise available for immediate delivery unless such is the case.

(13) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to use in its advertisements of motor vehicles any format, layout, headline, chart, illustration or type size which fails to clearly designate which of the prices, finance terms, or other sale terms featured apply to each of the advertised motor vehicles.

(14) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to misrepresent in any advertisement the model year of any motor vehicle.

(15) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to misrepresent in any advertisement the make of any motor vehicle.

(16) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to misrepresent in any advertisement the mileage of any motor vehicle.

(17) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to make any representation or statement of fact in an advertisement if the dealer knows or should know that the representation or statement is false or misleading or if the dealer does not have sufficient information upon which a reasonable belief in the truth of the representation or statement could be based.

(18) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise in a manner or format which fails to clearly distinguish between the offer of a vehicle for sale and the offer of a vehicle for lease.

(19) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise a payment amount for the lease of a vehicle without clearly and conspicuously using the word "lease" in an area immediately adjacent to the stated payment amount.

(20) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise the terms "one price," "non-negotiable price," "set price" or similar terms unless the dealer:

- (A) maintains the same price for all consumers for equivalent vehicles; and
- (B) maintains such price unless a general price adjustment is made which is applicable to all consumers.

(21) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise the price of a motor vehicle which is reduced by an amount representing a manufacturer's rebate unless the rebate is available to the general public.

(22) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise a manufacturer's rebate unless such advertisement clearly and conspicuously discloses:

- (A) the amount of any applicable rebate; and
- (B) any conditions, restrictions or limitations placed on the rebate.

(23) it shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to violate any provision of a federal or state statute or regulation concerning the sale or lease of motor vehicles.

(24) it shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to fail to print in at least ten point type any disclosure required by a federal or state statute or regulation concerning the sale or lease of motor vehicles.

(25) it shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to make any disclosure required by a federal or state statute or regulation concerning the sale or lease of motor vehicles in a television or radio advertisement unless the disclosure is made clearly and conspicuously, without any distracting background pattern or noise sufficient to prevent a reasonable person from understanding the nature of the disclosure.

(26) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to fail to withdraw an advertisement for the sale or lease of a specific motor vehicle or vehicles within a reasonable time after the motor vehicle or vehicles are no longer available for sale or lease to the general public.

(27) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise the price for the sale of a motor vehicle when such price is reduced by an amount representing the down payment, deposit or other payment to be made by the purchaser.

(28) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to advertise an offer of cash or other consideration to a consumer who presents to such dealer a purchase order from another dealer signed by both the buyer and seller.

(29) It shall be an unfair or deceptive act or practice for a new car dealer or used car dealer to misrepresent the source from which the dealer purchased a new or used motor vehicle.

(30) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise the terms "reposessions", "bank repossessions", "prior bank assets" or similar terms unless the dealer has purchased the advertised motor vehicles directly from the bank or lender, or its agent, that repossessed the vehicles.

(31) It shall be an unfair or deceptive act or practice for a new car dealer or a used car dealer to advertise, or offer for sale or lease, a flood damaged motor vehicle without clearly and conspicuously disclosing that the vehicle is a flood damaged vehicle. In any written advertisement, such disclosure shall be placed immediately adjacent to the description of the vehicle.

[(29)](32) These regulations are in addition to [Section] section 42-110b-18 [through and including] to [Section] section 42-110b-24, inclusive, of the Regulations of Connecticut State Agencies and will not be construed in any way as rendering inapplicable to new car dealers or used car dealers any of the provisions of [Sections] section 42-110b-18 [through] to 42-110b-24, inclusive, of the Regulations of Connecticut State Agencies.

**[(c) Effective date of regulation]**

These regulations shall become effective thirty days after filing with the office of the Secretary of the State.]

Statement of Purpose: To update existing motor vehicle advertising regulations.

# CERTIFICATION

M-39 REV. 1/77

Page 5 of 5 pages

Be it known that the foregoing:

☒ Regulations ☐ Emergency Regulations

Are:

☐ Adopted ☒ Amended as hereinabove stated ☐ Repealed

By the aforesaid agency pursuant to:

☒ Section 42-110b(c) of the General Statutes and

☐ Sections \_\_\_\_\_ of the General Statutes, as amended by Public Act. No. \_\_\_\_ of the \_\_\_\_ Public Acts.  
☐ Public Act. No. \_\_\_\_\_ of the Public Acts.

After publication in the Connecticut Law Journal on July 4, 2006 of the notice of the proposal to:

☐ Adopt ☒ Amend ☐ Repeal such regulations

(If applicable): And the ☒ holding of an advertised public hearing on 9th day of August, 2006.

WHEREFORE, the foregoing regulations are hereby:

☐ Adopted ☒ Amended as hereinabove stated ☐ Repealed

Effective:

☒ When filed with the Secretary of the State.  
 (OR)

☐ The \_\_\_\_\_ day of \_\_\_\_\_.

In Witness Whereof:	DATE <u>8/17/06</u>	SIGNED (Head of Board, Agency or Commission) <u>Edwin R. Nedvig</u>	OFFICIAL TITLE, DULY AUTHORIZED Commissioner
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Approved by the Attorney General as to legal sufficiency in accordance with Sec. 4-169, as amended, C.G.S.:	SIGNED <u>W. B. NK</u>	DATE <u>9/14/06</u>	OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY. GENERAL
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☒ Approved  
☐ Disapproved  
☐ Disapproved in part, (Indicate Section Numbers disapproved only)  
☐ Rejected without prejudice.

By the Legislative Regulation Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes	DATE <u>11/28/06</u>	SIGNED (Clerk of the Legislative Regulation Review Committee) <u>Samuel B. Booth</u>
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (Secretary of the State)	BY
INSTRUCTIONS		

One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.

Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.

Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.

Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.